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Workers' Compensation Covers COVID-19 in California

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On September 17, 2020, California Governor Newsom signed Senate Bill 1159 into law. The new state law, which has an immediate effect, applies if an employee in California has a COVID-19-related illness during the period beginning March 19, 2020 and ending December 31, 2022. During this period, the employee's COVID-19-related illness is presumed to arise out of and in the course of employment and will be covered by the state workers' compensation system if certain additional requirements are met (unless the presumption is controverted by other evidence).

California employers should contact their workers' compensation carrier for details about the additional requirements that apply under SB 1159 with respect to their workers' compensation program.

As a result of the new state law, an employee in California who has a COVID-19-related illness that meets certain requirements would look to the state workers' compensation system for hospital, surgical, medical treatment, and disability benefits, rather than to the employer-sponsored group health and welfare benefit plan.

Employer Action

Whenever an employee in California has a COVID-19-related illness, the employer should coordinate with its workers' compensation carrier, and the insurance carrier or third-party administrator for its group health and welfare benefit plan, to ensure that the employee obtains hospital, surgical, medical treatment, and disability benefits for the COVID-19-related illness from the appropriate source.